

STATE OF CALIFORNIA  
DEPARTMENT OF INSURANCE  
300 CAPITOL MALL, 17<sup>TH</sup> FLOOR  
SACRAMENTO, CALIFORNIA 95814

RH03027484

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PROPOSED TEXT

CALIFORNIA CODE OF REGULATIONS, TITLE 10  
CHAPTER 5, SUBCHAPTER 1, ARTICLE 7

**Amend California Code of Regulations, Title 10, Chapter 5, Subchapter 1, Article 7,  
Section 2190.05 as follows:**

**§2190.05. Definitions.**

(a) The term “agent,” as used in these regulations, means an insurance agent as defined in Insurance Code Section 1621.

(b) The term “broker” means an insurance broker as defined in Insurance Code Section 1623.

(c) The term “copy” as used in these regulations means any reproduction by which a reasonably clear image of the form, report or statement is provided, including the image of the executing broker's signature, including but not limited to a photocopy, facsimile transmission copy, and any other electronically transmitted digital reproduction.

(d) The term “secondary office” means an office of a resident agent or broker or surplus lines broker or special lines' surplus lines broker other than the principal office.

(e) The term “special lines' surplus lines broker” means a person licensed under Insurance Code Section 1760.5 and authorized to do business pursuant to Division 1, Part 2, Chapter 6 Sections 1760.5 through 1780.

(f) The term “surplus line broker” means a person licensed under Insurance Code Section 1765 and authorized to do business pursuant to Division 1, Part 2, Chapter 6 Sections 1760 through 1780.

**(g) The term “resident surplus line broker” means a person licensed as a California resident under Insurance Code Section 1765 and authorized to do business pursuant to Division 1, Part 2, Chapter 6 Sections 1760 through 1780.**

**(h) The term “resident special lines' surplus lines broker” means a person licensed as a California resident under Insurance Code Section 1760.5 and authorized to do business pursuant to Division 1, Part 2, Chapter 6 Sections 1760.5 through 1780.**

(i) The term “non-resident surplus line broker” means a person licensed as a resident surplus line broker in a state or territory of the United States other than California and who is licensed as a non-resident in California under Insurance Code Section 1765 and authorized to do business pursuant to Division 1, Part 2, Chapter 6 Sections 1760 through 1780.

(j) The term “non-resident special lines' surplus lines broker” means a person licensed as a resident special lines' surplus lines broker in a state or territory of the United States other than California, or the functional equivalent thereof offered by such state or territory, and who is licensed as a non-resident in California under Insurance Code Section 1760.5 and authorized to do business pursuant to Division 1, Part 2, Chapter 6 Sections 1760.5 through 1780.

#### NOTE

Authority cited: Sections 1727, 1763 and 1768, Insurance Code. Reference: Sections 1621, 1623, **1639**, 1727 and 1760-1780, Insurance Code.

**Amend California Code of Regulations, Title 10, Chapter 5, Subchapter 1, Article 7, Section 2190.7 as follows:**

#### **§2190.7. Place Where Records Kept.**

(a) All records described in Sections 2190.2, 2190.4, 2190.5 and 2190.6 shall be kept in the principal office in this State of the resident agent or broker or **resident** surplus lines broker or **resident** special lines' surplus **lines** broker except where otherwise specifically authorized by the commissioner. All records described in Sections 2190.2, 2190.4, 2190.5 and 2190.6 for non-resident surplus line brokers and non-resident special lines' surplus lines brokers shall be kept in the principal office in the state or territory of the United States in which he or she is licensed as a resident surplus line broker or resident special lines' surplus lines broker.

(b) All records described by Section 2190.3 shall be maintained at the office servicing the insured.

(c) An agent operating under an exclusive contract with an insurer, including one insurer and its subsidiaries or affiliates, shall, upon termination of the appointment, be required to maintain only such records as such contract authorizes him to retain, provided that the insurer shall bear the responsibility of maintaining within this State all other records which would have otherwise been required to be maintained by the agent, subject to the time limitations set forth in 2190.2, 2190.3 and 2190.4.

(d) All records shall be maintained in an orderly manner so that the information therein is readily available and shall be open to inspection or examination of the commissioner at all times and the commissioner may at any time require such licensee to furnish him any information maintained

or required to be maintained.

(e) One year after cancellation or expiration of a policy, records pertaining thereto may be stored off premises so long as they are retrievable within two business days.

(f) An agent or broker may maintain the records, which are otherwise required by this article to be kept at the principal office, at a secondary office upon obtaining specific written authorization from the Insurance Commissioner, which authorization may impose any conditions or restrictions which the Insurance Commissioner deems to be necessary and proper.

#### NOTE

Authority cited: Sections 1727, 1763 and 1768, Insurance Code. Reference: Sections **1639**, 1727, 1763, **1767**, and 1768, Insurance Code.